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Hertz Press Information

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L.A. Highest At 62.8¢ A Mile, Average Tops 51¢...

NEW CAR OWNERSHIP & OPERATING COSTS FOR '85 RISE AN AVERAGE OF 2 ¢ IN 20 TOP CITIES; STUDY SHOWS 16¢ VARIATION IN MAJOR AREAS

Costs to own and run typical 1985 compact cars in 20 top U.S. cities edged up an average of about 2¢ a mile —some 4% — to a record 51.59¢ from 1984's 49.61¢, Hertz Corporation's new annual survey showed today.

Expenses varied by 16.53¢ a mile among the 20 cities, with Los Angeles, San Francisco and New York City ranking one-two-three for the 6th straight year.

Some 19 of the 20 major, geographically-spread areas reflected increases in '85, ranging from 8/10ths of a cent per mile in Milwaukee to 4.54¢ in San Francisco, according to the rental company's latest estimates. Only Seattle declined — by 1/10th of a cent.

The rise in the big-cities' average compares with a jump of 4.3%, or 1.97¢, in the 1985 overall 47.64¢ national average (reported by the rental company February 24). Auto expenses in large cities are normally higher than in suburban and rural areas, the firm noted.

Los Angeles again led the nation with outlays estimated at 62.79¢ a mile, up 3.5¢ from 1984; San Francisco stayed second, jumping to 62.66¢; New York City remained third, rising 2.89¢ to 60.14¢, the report found.

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Milwaukee slipped from 16th place in '84 to 20th last year, at 46.26¢ a mile, the greatest drop in ranking. Atlanta surged 4.11¢ to 11th place, at 49.21¢, from 17th in '84 for the largest ranking rise, the Hertz study showed.

The study showed advances in vehicle sticker prices, which affect depreciation, plus increases in insurance, licenses, fees, taxes and maintenance. These 1985 rises more than offset lower car loan interest rates together with less expensive gasoline and more fuel-efficient new cars.

Here are 1985 and 1984 cent-per-mile costs and "rank" of the 20 cities in the Hertz annual new car cost survey:

	1985	1984		1985	1984
#1. Los Angeles	62.79¢	60.69¢	#11. Atlanta	49.21¢	45.10¢
2. San Francisco	62.66	58.16	12. Minneapolis	48.85	47.58
3. New York City	60.14	57.25	13. San Diego	48.83	47.53
4. Denver	55.58	51.91	14. Detroit	48.42	46.47
5. Miami	55.05	53.47	15. Pittsburgh	47.53	45.44
6. Chicago	54.53	52.74	NATIONAL AVERAGE	47.64	45.67
7. St. Louis	53.41	51.57	16. Cleveland	47.48	45.80
20-CITY AVERAGE	51.59	49.61	17. Dallas	46.96	45.08
8. Houston	50.72	49.31	18. Dist. of Col.	46.75	45.00
9. Seattle	50.48	50.58	19. C'Cinnati	46.50	44.65
10. Boston	49.73	48.48	20. Milwaukee	46.26	45.42

Hertz' estimates of ownership and operating costs are for normally-equipped vehicles purchased new and driven 10,000 miles a year for five years by average new-car-buying families -- including two parents and at least one youthful, inexperienced male driver.

Purchase price averages in 1985 ranged from a low of $9,665 in Detroit to $10,026 in Chicago. The category of insurance, licensing and fees ranged from 10.38¢ a mile in Cincinnati to 24.82¢ in Los Angeles. Estimated interest varied from 7.59¢ in Detroit to 9.43¢ in Minneapolis.

Estimated maintenance and repair was 3.77¢ in Cleveland, up to 6.93¢ in San Francisco while fuel and other service station charges ranged from 6.85¢ in Pittsburgh to 8.83¢ in San Francisco.

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HERTZ '85 20-CITY CAR COST STUDY

Here are Hertz' estimated 20-city averages by cost category for typical new 1985 and 1984 compacts:

1985	EXPENSE CATEGORY	1984	Pctg. Change
$9,847	Purchase Price, including tax (reflected in depreciation)	$9,135	+ 7.78%
15.66¢	Depreciation	14.62¢	+ 7.11
15.09	Insurance,Licenses & Fees	13.87	+ 8.80
8.54	Interest Paid & Lost	9.17	- 6.87
4.57	Maintenance & Repairs	4.32	+ 5.79
7.74	Gasoline & Other Service Station Charges	7.63	+ 1.44
51.59¢	TOTAL	49.61¢	+ 4.00%

Hertz, a UAL, Inc. subsidiary, pointed out that in the past dozen years passenger car purchase prices rose 207% and ownership and operating charges climbed 188% for comparable models comparably driven.

To reduce running expenses, motorists have been buying smaller models, with fewer options, keeping autos longer and driving them less, figures in the latest Hertz report show. Holding cars 10 years rather than one, normally saves more than one third of ownership costs, for example.

Over the past 12 years of annual double-digit expense increases, average vehicle mileage dropped 17%, vehicle age rose 29% and most typical new models now are about 1,000 lbs. lighter and a foot shorter.

Estimated 20-city averages for other '85 models, also bought new and to be driven 10,000 miles a year for five years, were:

Sub-compacts, 44.32¢ a mile, up 11.4% from 39.79¢ in '84;
Mid-size units, 51.06¢, off 3.3% from 52.81¢ the prior year;
Intermediates, 57.21¢, up 4.9% from 54.52¢; and
Standard-size, 68.20¢, up 5% from 64.93¢.

HIGHER annual mileage lowers typical per-mile costs but raises total annual spending; LOWER yearly mileage reverses this process. Hertz estimates 1985 personal passenger car mileage averaged 8,586 annually for ALL units, but was 10,156 yearly during a new car's first five years.

-30- #

CITY RANKINGS OF HERTZ' ESTIMATED 1985 COMPACT CAR COSTS TABLE A
For Autos Purchased New & Driven 10,000 Annual Miles For 5 Years

1985 RNK	CITY	1985 ¢P/Mi.	'84 RK	'84 ¢PM	'83 RK	'83 ¢PM	'82 RK	'82 ¢PM	'81 RK	'81 ¢PM	'80 RK	'80 ¢PM	'79 RK	'79 ¢PM
1.	Los Ang.	62.79	1	60.69	1	56.9	1	57.1	1	56.4	1	49.3	1	39.5
2.	San Fran.	62.66	2	58.16	2	54.6	3	54.3	3	53.2	3	44.9	4	33.0
3.	N. Y. C.	60.14	3	57.25	3	54.5	2	56.1	2	55.2	2	46.4	2	39.2
4.	Denver	55.58	6	51.91	6	47.7	8	47.0	7	45.4	6	38.9	3	33.1
5.	Miami	55.05	4	53.47	4	50.0	4	50.0	4	48.4	4	40.1	8	29.7
6.	Chicago	54.53	5	52.74	5	49.5	5	49.8	5	47.3	5	39.0	9	29.5
7.	St.Louis	53.41	7	51.57	7	47.5	7	47.6	9	45.3	10	37.6	16	27.7
20-CITY AVG.		51.59		49.61		46.5		47.2		46.0		38.6		30.0
8.	Houston	50.72	9	49.31	13	44.1	11	45.6	8	45.3	8	38.4	7	30.1
9.	Seattle	50.48	8	50.58	8	47.1	6	47.9	6	46.4	7	38.4	6	30.4
10.	Boston	49.73	10	48.48	9	45.3	10	46.3	11	45.1	17	36.2	13	28.6
11.	Atlanta	49.21	17	45.10	20	41.6	19	42.2	19	41.5	18	34.9	15	28.0
12.	M'n'p'is	48.85	11.	47.58	11	45.0	13	45.6	12	44.7	11	37.1	5	30.8
13.	San Diego	48.83	12.	47.53	10	45.3	9	46.4	10	45.2	9	38.3	17	27.6
14.	Detroit	48.42	13.	46.47	15	43.4	20	41.7	20	40.9	20	34.1	19	26.1
15.	P'sburgh	47.53	15.	45.44	14	43.6	15	44.8	14	44.5	15	36.6	12	28.6
NAT. AVG.		47.64		45.67		43.3		44.7		43.4		36.4		28.6
16.	Cleveland	47.48	14	45.80	16	43.2	14	45.4	15	43.8	16	36.3	18	26.3
17.	Dallas	46.96	18	45.08	18	42.3	18	43.1	17	42.5	14	36.8	14	28.0
18.	Wash.D.C.	46.75	19	45.00	19	42.1	16	43.7	16	43.5	13	36.9	11	29.1
19.	C'cinnati	46.50	20	44.65	17	42.7	17	43.6	18	41.8	19	34.3	20	24.4
20.	Milwaukee	46.26	16	45.42	12	44.2	12	45.6	13	44.7	12	36.9	10	29.5

: Slight variations owing to rounding. Major-city costs based on rates in downtown, not surburban, areas. Costs generally are lower in outlying areas. Parking & tolls not included. Hertz Corp. 3/86

TABLE B 3/86 1985 HERTZ ESTIMATES OF NEW CAR OWNERSHIP & OPERATING COSTS IN KEY U.S. CITIES
(In Cents Per Mile for New Compact-Sized Models Driven 10,000 Miles Per Year And Kept Five Years)

CITY	NAT.AVER.	Atlanta	Boston	Chicago	C'nati	Clvlnd.	Dallas	Denver	Detroit	Dst.Col.	Houston
Purch.Price	$ 9,834	9,716	9,748	10,026	9,748	9,887	9,748	9,896	9,665	9,841	9,748
Depreciation	0.1564	0.1545	0.1550	0.1594	0.1550	0.1572	0.1550	0.1574	0.1535	0.1565	0.1550
Ins.,Lics.,Fees	0.1193	0.1382	0.1443	0.1670	0.1038	0.1232	0.1141	0.1877	0.1317	0.1065	0.1489
Interest Costs	0.0849	0.0838	0.0815	0.0889	0.0874	0.0827	0.0825	0.0908	0.0759	0.0799	0.0855
S/T Fixed Costs	0.3606	0.3765	0.3808	0.4153	0.3462	0.3631	0.3516	0.4359	0.3611	0.3429	0.3894
Maint.& Rep.	0.0430	0.0400	0.0434	0.0477	0.0398	0.0377	0.0435	0.0434	0.0429	0.0487	0.0442
Gas,Oth.Ser. Stn.Exp.	0.0728	0.0756	0.0731	0.0823	0.0790	0.0740	0.0745	0.0765	0.0802	0.0759	0.0736
S/T Var.Costs	0.1158	0.1156	0.1165	0.1300	0.1188	0.1117	0.1180	0.1199	0.1231	0.1246	0.1178
F & VAR.TOT.	0.4764	0.4921	0.4973	0.5453	0.4650	0.4748	0.4696	0.5558	0.4842	0.4675	0.5072

CITY	Los Ang.	Miami	Mil'kee	Min'pls.	New York	P'sbrgh.	St.Louis	S'Diego	San Frn.	Seattle	20-CITY AVERAGE
Purch.Price	9,977	9,748	9,748	9,841	10,050	9,841	9,841	9,930	9,930	10,008	9,847
Depreciation	0.1586	0.1550	0.1550	0.1565	0.1598	0.1565	0.1565	0.1579	0.1579	0.1591	0.1566
Ins.,Lics.,Fees	0.2482	0.1917	0.1044	0.1156	0.2233	0.1219	0.1648	0.1249	0.2180	0.1391	0.1509
Interest Costs	0.0854	0.0835	0.0825	0.0943	0.0902	0.0874	0.0875	0.0840	0.0932	0.0817	0.0854
S/T Fixed Costs	0.4922	0.4302	0.3419	0.3664	0.4733	0.3658	0.4088	0.3668	0.4691	0.3799	0.3929
Maint.& Rep.	0.0557	0.0416	0.0406	0.0445	0.0482	0.0410	0.0505	0.0435	0.0693	0.0470	0.0457
Gas,Oth.Ser. Stn.Exp.	0.0800	0.0787	0.0801	0.0776	0.0799	0.0685	0.0747	0.0780	0.0883	0.0779	0.0774
S/T Var.Costs	0.1357	0.1203	0.1207	0.1221	0.1281	0.1095	0.1252	0.1215	0.1576	0.1249	0.1231
F & VAR.TOT.	0.6279	0.5505	0.4626	0.4885	0.6014	0.4753	0.5341	0.4883	0.6266	0.5048	0.5159

TABLE C HERTZ '85 ESTIMATES OF COSTS OF NEW CARS DRIVEN 5 YEARS FOR 10,000 MILES PER YEAR (In Cents-Per-Mile)

City	CAR SIZES Sub-compact	Compact	Mid-Size	Inter-mediate	Standard
Atlanta	42.27	49.21	48.70	54.57	65.05
Boston	42.72	49.73	49.22	55.15	65.73
Chicago	46.84	54.53	53.97	60.47	72.08
Cincinnati	39.94	46.50	46.02	51.57	61.46
Cleveland	40.78	47.48	46.99	52.65	62.76
Dallas	40.34	46.96	46.48	52.08	62.07
Denver	47.74	55.58	55.01	61.64	73.47
Detroit	41.59	48.42	47.92	53.69	64.00
Dist. of Col.	40.16	46.75	46.27	51.84	61.79
Houston	43.57	50.72	50.20	56.25	67.04
Los Angeles	53.93	62.79	62.14	69.63	83.00
Miami	47.28	55.05	54.48	61.05	72.76
Milwaukee	39.73	46.26	45.78	51.30	61.15
Minneapolis	41.96	48.85	48.35	54.17	64.57
New York City	51.66	60.14	59.52	66.69	79.49
Pittsburgh	40.83	47.53	47.04	52.71	62.82
St. Louis	45.88	53.41	52.86	59.23	70.60
San Diego	41.94	48.83	48.33	54.15	64.54
San Francisco	53.82	62.66	62.02	69.49	82.82
Seattle	43.36	50.48	49.96	55.98	66.72
'85 20-CITY AVG.	44.32	51.59	51.06	57.21	68.20
'85 NAT. AVG.	40.92	47.64	47.15	52.83	62.97
'84 NATIONAL AVG.	36.63	45.67	48.61	50.19	59.77
'84 20-CITY AVG.	39.79	49.61	52.81	54.52	64.93

NOTES: Costs in cents-per-mile assume NEW 1985 cars as described in notes, assumptions in constant 1985 dollars. For APPROXIMATE costs for other distances divide compact auto's expense in desired city by the NATIONAL AVERAGE (47.64¢ per mile) and then multiply the result by the C/P/M figure in the 'Constant Miles Per Year' columns of TABLE I. of NATIONAL averages release originally issued 2/18/86 Hertz Corp. 3/86

TABLE I The Hertz Corp. 2/86

HERTZ ESTIMATES OF 1985 NEW CAR OWNERSHIP & OPERATING COSTS

<-SUB-COMPACT->	<-------'COMPACT'------->					INTER-MEDIATE	STAN-DARD
Years Use	<- At CONSTANT Annual Mileages -> (in cents per mile)						
	10000	5000	8586	10000	20000	10000	10000
1	0.4807	1.0321	0.6370	0.5725	0.3349	0.6280	0.7671
2	0.4609	0.9721	0.6076	0.5447	0.3312	0.5999	0.7267
3	0.4382	0.9055	0.5777	0.5146	0.3201	0.5684	0.6840
4	0.4207	0.8660	0.5528	0.4919	0.3122	0.5443	0.6518
5	0.4092	0.8294	0.5330	0.4764	0.3060	0.5283	0.6297
6	0.3837	0.7618	0.4925	0.4437	No Data	0.4939	0.5850
7	0.3642	0.7070	0.4653	0.4191	Over	0.4680	0.5512
8	0.3488	0.6649	0.4400	0.3987	100,000	0.4465	0.5233
9	0.3359	0.6288	0.4217	0.3821	Miles	0.4291	0.5005
10	0.3255	0.6017	0.4058	0.3687	----	0.4149	0.4819

HISTORICAL COMPARISONS OF NEW 'INTERMEDIATE' SIZE CAR

	<-@ Estimated Varying Mileage Yearly->				<-@ Constant 10,000->		
	3-Year Average Annual Mileage	Use Cost Cents-Per-Mile	10-Year Average Annual Mileage	Use Cost Cents-Per-Mile	MILES PER YEAR 3 Yr. Use Cost	10-Yr. Use Cost	AVG.COST Of 3-Yr. Use In Constant
Year	C.P.M.	$ P.Y.	M.P.Y.	C.P.M.	C.P.M.		(1985) $
1925E	5835	0.1690	Not Available		0.1150	N/A	0.7060
1950	12771	0.0930	9032	0.0800	0.1090	0.0770	0.4872
1960	13497	0.1220	9545	0.0980	0.1440	0.0950	0.5232
1970	14267	0.1470	10090	0.1210	0.1900	0.1220	0.5265
1971	14567	0.1430	10280	0.1190	0.1870	0.1210	0.4969
1972	14652	0.1510	10362	0.1210	0.1970	0.1240	0.5067
1973	13570	0.1620	9597	0.1340	0.2020	0.1310	0.4891
1974	12300	0.2070	8732	0.1710	0.2380	0.1590	0.5193
1975	12561	0.2320	8901	0.1890	0.2720	0.1770	0.5798
1976	11885	0.2480	9015	0.2010	0.2810	0.1790	0.5318
1977	12127	0.2620	9199	0.2080	0.3010	0.2000	0.5345
1978	12082	0.2910	9165	0.2310	0.3310	0.2200	0.5462
1979	11666	0.3400	8850	0.2870	0.3800	0.2640	0.5639
1980	10841	0.4150	8224	0.3450	0.4400	0.3100	0.5999
1981	10652	0.4860	8081	0.4080	0.5090	0.3590	0.6319
1982	10594	0.5168	8037	0.4370	0.5400	0.3831	0.6062
1983	10963	0.4986	8317	0.4247	0.5338	0.3810	0.5810
1984	11318	0.4887	8586	0.4208	0.5377	0.3827	0.5578
1985	11318*	0.5180	8586E	0.4542	0.5684	0.4149	0.5684

*LATEST ESTIMATE

Table II

The Hertz Corp. 1/86

HERTZ ESTIMATES OF 1985 MODEL NEW
PASSENGER CAR OWNERSHIP & OPERATING COSTS

Years Used	'COMPACT' MODEL AVERAGES At CONSTANT 8586 M.P.Y. ¢.P.M.	$ P.Y.	8,586 AVERAGES At DECLINING Annual Miles AVERAGING 8586 Over 10-Yr.Period M.P.Y.	¢.P.M.	$ P.Y.
1	0.6370	5,468.89	13,060	0.4616	6,029.05
2	0.6076	5,217.07	12,073	0.4698	5,671.39
3	0.5777	4,960.45	11,318	0.4677	5,293.43
4	0.5528	4,746.44	10,598	0.4705	4,986.20
5	0.5330	4,576.05	10,156	0.4708	4,781.78
6	0.4945	4,245.62	9,859	0.4456	4,393.05
7	0.4653	3,995.36	9,618	0.4281	4,117.76
8	0.4400	3,777.45	9,352	0.4164	3,894.34
9	0.4217	3,620.94	9,032	0.4083	3,688.08
10	0.4058	3,484.05	8,586	0.4058	3,484.05

NOTE: Above Costs Are AVERAGES For Varying Use/Mileage Periods; those below are for each INDIVIDUAL year.

CURRENT 1985 DATA 'COMPACT' CAR EXPENSES

Year of Use	YEARLY Costs & Mileages for Various Ownership Periods (Not AVERAGES for ALL Years As Listed Above.) AVERAGES At CONSTANT 8586 YEARLY Mileages ¢.P.M.	$ P.Y.	8,586 AVERAGES At Listed DECLINING YEARLY Mileages AVERAGING 8586 M.P.Y. M.P.Y.	¢.P.M.	$ P.Y.
1	0.6370	5,469.28	13,060	0.4616	6,029.02
2	0.5783	4,965.28	11,086	0.4793	5,313.85
3	0.5180	4,447.55	9,808	0.4626	4,537.48
4	0.4780	4,104.11	8,438	0.4817	4,064.58
5	0.4536	3,894.61	8,388	0.4726	3,964.08
6	0.3021	2,593.83	8,224	0.2899	2,384.47
7	0.2904	2,493.37	8,322	0.3041	2,530.93
8	0.2623	2,251.76	7,490	0.3111	2,330.06
9	0.2759	2,368.62	6,472	0.3149	2,038.00
10	0.2623	2,252.11	4,572	0.3604	1,647.78
Tot.	0.4058	3,484.05	8,586	3.49E+53	3,484.03

Slight variations owing to rounding.

TABLE III

3/86

BREAKOUT OF HERTZ OWNERSHIP & OPERATING COST ESTIMATES FOR SELECTED CARS
Average Expenses For Various Years Of Ownership at 10,00 Miles A Year

Model Year:	1985						1984			
Purchase Price	$ 9,834			$ 10,509			$9,113		$10,103	
Car Size	Compact			Intermediate			Compact		Intermediate	
Years Kept	3-Yr.	5-Yr.	10-Yr.	3-Yr.	5-Yr.	10-Yr.	5-Yr.	10-Yr.	3-Yr.	10-Yr.
Depreciation	0.2049	0.1564	0.0964	0.2189	0.1671	0.1030	0.1458	0.0893	0.2122	0.0990
Ins.,Lics.,Fees	0.1193	0.1193	0.1041	0.1288	0.1288	0.1125	0.1084	0.0932	0.1156	0.0995
Interest (P&L)	0.0789	0.0849	0.0425	0.0843	0.0908	0.0454	0.0917	0.0459	0.0929	0.0508
FIXED SB.-TOTL.	0.4031	0.3606	0.2430	0.4320	0.3867	0.2609	0.3459	0.2284	0.4207	0.2493
Maint. & Repair	0.0390	0.0430	0.0525	0.0487	0.0538	0.0655	0.0387	0.0472	0.0395	0.0550
Gas,Oth.Svc.Stn.	0.0726	0.0728	0.0732	0.0876	0.0878	0.0885	0.0721	0.0726	0.0776	0.0784
VARIABLE S/T	0.1116	0.1158	0.1257	0.1363	0.1416	0.1540	0.1108	0.1198	0.1171	0.1334
F & V TOTALS	0.5147	0.4764	0.3687	0.5683	0.5283	0.4149	0.4567	0.3482	0.5378	0.3827

Model Year:	1983				1982		1981	
Purchase Price	$8,358		$9,770		$8,102		$9,397	$7,621 $8,326
Car Size	Compact		Intermediate		Compact		Intermediate	Comp. Inter.
Years Kept	5-Yrs.	10-Yrs	3-Yrs.	10-Yrs.	5-Yrs	10-Yrs	3-Yrs 10-Yrs	5-Yrs. 3-Yrs.
Depreciation	0.1371	0.0819	0.2117	0.0957	0.1329	0.0794	0.2034 0.0920	0.1311 0.1943
Ins.,Lics.,Fees	0.0998	0.0859	0.1062	0.0915	0.0980	0.0843	0.1036 0.0892	0.0907 0.0941
Interest (P&L)	0.0766	0.0383	0.0823	0.0448	0.0967	0.0483	0.1007 0.0560	0.0969 0.0885
FIXED SB.-TOTL.	0.3134	0.2061	0.4002	0.2320	0.3275	0.2121	0.4076 0.2372	0.3187 0.3769
Maint. & Repair	0.0355	0.0422	0.0395	0.0536	0.0342	0.0407	0.0349 0.0473	0.0276 0.0300
Gas,Oth.Svc.Stn.	0.0838	0.0846	0.0941	0.0954	0.0849	0.0857	0.0971 0.0986	0.0879 0.1020
VARIABLE S/T	0.1193	0.1268	0.1336	0.1490	0.1191	0.1264	0.1320 0.1459	0.1155 0.1320
F & V TOTALS	0.4328	0.3329	0.5338	0.3810	0.4467	0.3384	0.5395 0.3831	0.4342 0.5089

Model Year:	1980		1979		1978	1975	1974	1973	1972	
Purchase Price	$6,454	7,129	5,079	6,161	5,578	4,676	3,934	3,493	$3,425	
Car Size	Comp.	Inter.	Comp.	Inter.	Inter.	Inter.	Inter.	Inter.	Intermediate	
Years Kept	5	3	5	3	3	3	3	3	3	10
Depreciation	0.1123	0.1711	0.0884	0.1561	0.1422	0.1262	0.1062	0.0943	0.0924	0.0326
Ins.,Lics.,Fees	0.0813	0.0848	0.0643	0.0790	0.0698	0.0388	0.0370	0.0350	0.0342	0.0245
Interest (P&L)	0.0647	0.0643	0.0418	0.0460	0.0413	0.0331	0.0246	0.0203	0.0198	0.0110
FIXED SB.-TOTL.	0.2583	0.3202	0.1945	0.2810	0.2533	0.1981	0.1678	0.1496	0.1464	0.0681
Maint. & Repair	0.0252	0.0268	0.0229	0.0248	0.0231	0.0191	0.0182	0.0177	0.0173	0.0234
Gas,Oth.Svc.Stn.	0.0807	0.0929	0.0681	0.0740	0.0548	0.0546	0.0520	0.0344	0.0337	0.0330
VARIABLE S/T	0.1059	0.1197	0.0910	0.0988	0.0779	0.0737	0.0702	0.0521	0.0510	0.0564
F & V TOTALS	0.3642	0.4399	0.2855	0.3798	0.3312	0.2718	0.2380	0.2017	0.1974	0.1244

Slight Variations Owing To Rounding

Table IV HERTZ CORP. 1/86

SUMMARY OF 1973-85 DOMESTIC AUTOMOBILE SIZE & PRICE CHANGES

CAR SIZE	'Sub-compact'	'Com-pact'	'Mid-Size'	'Inter-mediate'	'Standard'
Example Model:	Escort	Tempo GL4	Mustang L4	LTD-4	Crown Victoria
'85 LIST Price $	7,905.00	9,798.00	8,826.00	10,254.00	13,287.00
Wheelbase(")	94	100	101	106	114
Total Length(")	164	176	179	197	211
Weight(lbs.)	2,146	2,443	2,664	3,001	3,730
Price Per Lb. $	3.68	4.01	3.31	3.42	3.56
		Change Vs.1984			
Weight Lbs.	0	0	0	0	0
Length Inches	0	0	0	0	0
Price $	1,083.00	734.00	(670.00)	356.00	908.00
Price Pctg.	0.159	0.081	-0.071	0.036	0.073
		Change Vs.1973			
Weight Lbs.	(70)	(314)	(565)	(777)	(562)
Length Inches	(1)	(7)	(15)	(15)	(9)
Price $	4,963.00	6,713.00	5,124.00	6,347.00	9,040.00
Price Pctg.	1.687	2.176	1.384	1.625	2.129
'84 LIST Price $	6822	9064	9496	9898	12379
Wheelbase(")	94	100	101	106	114
Total Length(")	164	176	179	197	211
Weight(lbs.)	2146	2443	2664	3001	3730
Price Per Lb. $	3.18	3.71	3.56	3.30	3.32
'83 LIST Price $	6,330	8,504	8,721	9,732	11,472
Length	164	196	179	197	211
Weight	2016	2824	2700	2981	3748
'82 LIST Price	5,822	8,180	9,098	9,683	9,857
Wheelbase	94	106	106	108	114
Length	164	196	197	200	209
Weight	2011	2778	2941	3169	3602
'81 LIST Price	5417	7714	8195	8802	9023
Length	164	196	197	200	209
Weight	1987	2724	2948	3167	3602
'80 LIST Price	6042	6464	7106	7708	8781
Length	171	196	200	200	209
Weight	2488	2688	3250	3262	3584
'79 LIST Price	5004	5370	6265	6738	7793
Length	169	194	198	216	209
Weight	2449	2682	3249	3910	3611
'78 LIST Price	4647	5061	5759	6031	6379
Length	169	194	194	216	224
Weight	2425	2748	3349	4056	4266
'75 LIST Price	3622	4230	4979	5089	5515
Length	166	187	194	218	224
Weight	2581	2891	3243	4258	4502
'74 LIST Price	3304	3518	3857	4257	4870
Length	166	187	194	215	222
Weight	2443	2852	2964	4038	4302
'73 LIST Price	2942	3085	3702	3907	4247
Wheelbase	94	103	109	118	121
Length	165	183	194	212	220
Weight	2216	2757	3229	3778	4292
Price Per Lb. $	1.33	1.12	1.15	1.03	0.99

NOTE: Size classifications are arbitrary. Car names have changed.

DETAILS OF 1985 HERTZ COST ESTIMATE CALCULATIONS

1. MODELS USED: Sub-compact, Escort; Compact, Tempo; Mid-size, Mustang; Intermediate, LTD-4; Standard, Crown Victoria. Discounts assumed: Sub-compact, 8.25%; Compact, 5.25%; Mid-size, 4%; Intermediate, 3.25%; Standard, 1.75%. Sales Tax assumed: 5.925%. PURCHASE Prices resulting: Sub-compact, $7683; Compact, $9834 Mid-size, $9350; Intermediate, $10,509; Standard, $13,829.

2. DEPRECIATION rates are estimated averages. Rates may vary widely from year to year or model to model, depending on a variety of factors including inflation, optional equipment and public perception of retained value; but over the years have been relatively consistent. Aggregate rates used are--1 year, 28.5%; 2 years, 49%; 3, 62.5%; 4, 72%; 5, 79.5%, 6, 85.5%; 7, 90%; 8, 93.5; 9, 96%; 10, 98%. Abormally high or low mileage-per-year also will produce depreciation-rate variations of 1 to 3 cents a mile.

NOTE: No future inflation assumption is included; so-called "constant dollar figures are used. Therefore, inflation may alter longer-term ownership and operation expenses; however, inflation would also contribute to higher future new car purchase prices, so true depreciation is simply "postponed". Special Table shows 1975-model 10-year expenses reflecting automotive inflation for a decade. Depreciation usually is lower with high inflation, higher with low; other charges are normally higher than Hertz estimates.

3. INSURANCE based on $250,000/$500,000/$50,000 liability, $500 comprehensive and collision deductible. (Deductible has been increased over the years to reflect Hertz' attempt to estimate typical expenses for typical new-car-buying families with one or two youthful drivers, so comparisons from year to year are not precisely the same. Estimates assume full insurance is retained for duration of car loan; then, if car is kept longer, comprehensive-collision is dropped, only liability is retained.

4. INTEREST. For Ownership Periods up to five years, car loans are assumed to be for periods equal to ownership term -- e.g., 3-year loan for 3-year ownership, 5-year loan for 5-year ownership. For longer use, 5-year loan is maximum. (Before 1980 when 5-year loans became readily available, 4-years was maximum.) Loans are assumed to be 2/3rds of purchase price; cash down payment 1/3rd. Interest-LOST on down payment assumed only for loan duration. Interest assumes MONTHLY loan REPAYMENTS, QUARTERLY COMPOUNDING on interest lost, as follows: Year 1, 13.19% paid, 8.55% lost; Year 2, 13.24%, 8.61%; Year 3, 13.29, 8.66; Year 4, 13.42, 8.84; Year 5, 13.48%, 8.68%.

5.FUEL-EFFICIENCY & MAINTENANCE cost estimates are based on Hertz experience, NOT on government, manufacturer or industry data. Estimates do not EQUAL Hertz costs, since study is intended to reflect expenses incurred by INDIVIDUAL drivers to help calculate outlays for personal autos. Hertz estimates also assume full, complete, proper, professional maintenance (which some motorists may not perform at intervals specified) rather than on "do-it-yourself" prices. Nevertheless, slight annual fuel-efficiency reductions are assumed in calculating gasoline costs.

6.Tolls & Garaging are excluded since these expenses can fluctuate widely even within the same geographical area, depending upon driving patterns, routes, etc. Such charges, however, are almost never "nothing." If a car is parked in the owner's GARAGE, for example, technically, a pro-rata expense (based on the garage size), should be applied. TOLLS can also make a substantial cost difference for commuters: two next-door neighbors driving equal distances to work in similar cars might have a 2-5c-a-mile variation. Major-city, mid-town PARKING likewise might add 5-25c-a-mile.

7. MODELS SELECTED. Calculations are for typical cars, equipped typically, driven typical MILEAGE and kept typical yearly PERIODS. Major options ordered by most buyers are included on most models, such as automatic transmission, power steering and brakes, tinted glass and air conditioning. Those MOST TYPICAL mileages and use durations are featured, but OTHER mileages and periods are also LISTED. This is to illustrate the substantial cents-per-mile and dollars-per-year cost VARIATIONS which different annual mileages and different use periods alone can produce.

8. CENTS-PER-MILE Vs. DOLLAR-PER-YEAR COSTS. Many drivers prefer CENT-PER-MILE car cost estimates (for tax or employer/reimbursement reasons), but DOLLAR-PER-YEAR figures are better. Tables illustrate that HIGH yearly mileages produce LOWer cent-per-mile expenses simply because so-called "fixed," or standing, charges such as insurance, taxes, licenses and interest are thus spread over more miles each year. STUDIES EXPRESSING COSTS FOR HIGH ANNUAL MILEAGE IN CENTS-PER-MILE TERMS RATHER THAN DOLLARS-PER-YEAR, MAY THEREFORE BE MISLEADING.

Example: A compact model driven 10,000 miles a year costs 47.64¢ a mile (over the now-most-typical 5-year use), equal to $4764 a year. At 15,000 annual miles, per mile costs over 5 years, drop to 36.18¢ but add up to $5426 A YEAR. At 20,000 miles a year, PER-MILE charges fall even more, to 30.60¢. But ANNUAL DOLLAR COSTS soar to $6119. Conversely, at just 5,000 miles a year, PER-MILE outlays were 82.94¢ for '84, but only $4147 ANNUALLY. The estimated national average mileage in 1985 was 8,586 per-car per-year and the 5-year compact model expenditures at THAT travel rate are 53.3¢ a mile, but just $4,576 a year.

9. CONSTANT ANNUAL MILEAGE. Owing to statistical aberrations, some studies indicate that mileage on new cars is higher in their earlier years of ownership, lower later, The reporting of such costs on a cents-per-mile AND a declining annual mileage basis, can SERIOUSLY MISLEAD motorists. Such presentations mask the fact that longer car ownership normally reduces both cents-per-mile AND dollars-per-year costs. This is because, for most domestic cars purchased new, DEPRECIATION is higher in the car's first years, less as it ages. Keeping a car after a loan is repaid results in lower average INTEREST, too; AND, collision and comprehensive INSURANCE may be dropped after loan repayments end. (For similar reasons, cars bought used traditionally cost less to own and run than new ones.)

Example: The study table for compact models shows that at the constant national average of 8,586 miles a year typical costs drop from 63.70¢ a MILE--or $5468 a YEAR--for cars traded annually to 40.58¢ ($3484 a year) if the car is kept 10 years. However, if annual mileage declines each year (as at least one government report claims), cents-per-mile outlays are distorted to appear "flattened". They start at 46.16¢for 13,060 miles assumed run the FIRST year, climb to 47.26¢ for 8,388 miles assumed traveled the FIFTH year, and are 36.04¢ for just 4,572 miles assumed run in the 10TH.

10. AVERAGE AND ANNUAL OUTLAYS. Selected costs are itemized for EACH YEAR as well as AVERAGE costs for varying terms of years a car may be kept. ANNUAL costs especially, show the substantial expense-decline after a car loan is repaid and insurance is cut; the Hertz study figures show that even though fuel and maintenance expenditures climb in later years after high mileage, these "running" charges almost never rise as fast as the fixed or "standing" charges drop. Thus, TOTAL average outlays almost always decline as a car ages. The Hertz Corp. 2/86 # # # #